

**CITY OF MORGAN HILL
SPECIAL CITY COUNCIL MEETING
MINUTES – MAY 30, 2007**

CALL TO ORDER

Mayor Tate called the special meeting to order at 5:15 P.M.

ROLL CALL ATTENDANCE

Present: Council Members Carr, Grzan, Lee, Sellers and Mayor Tate

DECLARATION OF POSTING OF AGENDA

City Manager/Deputy City Clerk Tewes certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2.

PUBLIC COMMENT

Mayor Tate opened the floor to public comment for items not appearing on this evening's agenda. No comments were offered.

City Council Action

1. DRAFT COYOTE VALLEY SPECIFIC PLAN AND DRAFT ENVIRONMENTAL IMPACT REPORT

Mayor Tate advised of the format for the meeting:

- City of San Jose (Darryl Boyd) presentation of the Draft EIR
- Consultant presentation of traffic/transportation components of Draft EIR (Mike Waller)
- City of Morgan Hill overview of concerns with the Draft EIR (David Bischoff)
- Opportunity for Public Comment (end of the meeting)
- Task Force member discussion and recommendation for next steps

Mayor Tate invited self introductions from the members of the Stakeholder Agencies.

Mayor Tate provided a brief overview of the Stakeholder Agencies; indicating that the group came together in 2004 - 05 and began identification of specific areas of concern (e.g., traffic impacts, housing affordability, impacts on South County, schools, roads, parks).

During the evolving discussion, Mayor Tate said that the Stakeholder Agencies began to focus on what impacts can be mitigated, with Morgan Hill taking the lead. He said that the Stakeholder Agencies found the EIR to be the most important thing in ascertaining mitigations, and that the draft EIR is in circulation with June 2007 being the end of the comment period. Therefore, comments this evening need to focus on the EIR. He said that the Council reconvened this stakeholder group to look into the components of the Draft EIR, and to become well informed as to its status. He said that City staff has done a great job in reviewing the prepared EIR, and that we are here to gather more information on specific items previously discussed, as well as others recently identified for comment.

Mr. Bischoff introduced the representatives from Fehr and Peers, Transportation Consultants for the Cities of Morgan Hill and Gilroy. He indicated that an attachment to the handout for Stakeholder members had an update (a two-page bulleted document) prepared by Fehr and Peers for the City leaders. He indicated that Morgan Hill has not responded to the EIR, and that its review should be completed within a couple of weeks.

San Jose project manager for the EIR, Darryl Boyd, presented an overview (with a PowerPoint presentation) of the Specific Plan and Draft EIR.

Mr. Boyd emphasized that the concept contained guiding principles for how Coyote Valley is to be used:

- infrastructure: intersection at Santa Teresa and Bailey – a lake for flood control purposes will also take advantage of Urban Design factors with realignment of Fisher Creek;
- Core infrastructure: transportation system (spoke fashion) virtually all areas of the plan are within ¼ mile of transportation system
- transit system could interface with CalTrain station facility
- urban core area around lake; very high density residential (100 units per acres) around lake
- feathering to compatibility with neighborhoods nearer Morgan Hill (lower density: 5 units per acre)

Mr. Boyd addressed the industrial plans for the first phase of the Coyote Valley project and the infrastructure required. He also explained the following:

- various infrastructures needed for two high schools; two middle schools, and nine elementary schools
- potential location for parks and schools
- proposed transit and walk/bike trail connections

Mr. Boyd stated that work on the Coyote Valley Specific Plan had been halted briefly in 2006; ‘freezing the project’ to provide consultants the opportunity to refine some of the Task Force’s targeted points. He briefly raised other issues regarding the Draft EIR (e.g., the project will be substantially self mitigating; some unavoidable impacts will be noted in the EIR; and agricultural land conversion will amount to 2,400 acres).

Stakeholder Agencies members comments/questions

Council Member Carr said that the maximum number of houses and jobs being planned is not clear, although 50,000 jobs and 25,000 houses is most often mentioned. Mr. Boyd said that those were indeed the minimum numbers and were in agreement with the existing General Plan. Responding to a further question from Councilmember Carr, Mr. Boyd said that the maximum number of jobs and housing units had ‘never been calculated’ but would be ‘based on what could be supported’.

Morgan Hill Unified School District Board Member Shellé Thomas asked for clarification, “If we work from a minimum to complete the EIR, and not the maximum, how can the EIR be completed valid?” Mr. Boyd responded that some assumptions were made, but that what was analyzed in the EIR were 50,000 jobs and 25,000 houses.

Sylvia Hamilton raised the issue of schools, noting that Morgan Hill currently has a population of 38,000, with two high schools in Morgan Hill. She asked how 2 high schools would be sufficient if Coyote Valley has a population of 80,000 persons.

A member of the audience (no name stated) asked for clarification of placement of water storm drains etc., and where that water, in winter, would ‘eventually end up?’

Mr. Boyd responded that the storm water will flow to Coyote Creek, and that a lot of the water will percolate into the groundwater. He said that there are two planned lakes which will assist in holding the water back with sequential releases to avoid flooding.

Santa Clara County Board of Supervisor Don Gage called attention to Cal Train on Monterey Road; noting that it was not shown in the VTA plan.

Mike Waller was present to speak to transportation issues and said that this is an ‘ambitious plan’ being large in size and scope. He addressed the methodology of the transportation modeling within the traffic study area. He said that they began by looking at 2030 for the large scale model and drew on a parallel study for coordination with the South County circulation study. By utilizing the improved jobs/housing analysis ratio, many of the transportation impacts can be handled by internal infrastructure.”

City Manager Tewes stated that should the development triggers be amended, each trigger must have its own EIR.

Discussion ensued among the Stakeholders members regarding: intersection impacts and freeway impacts.

Supervisor Gage asked if Coyote Valley was included in the circulation plan for the South County.

Mr. Waller responded yes, and then went on to explain the results of the projections and how the gridlock could occur before the project is completed.

Supervisor Gage said the he has seen predictions state that by 2012, Highway 101 will be ‘totally stopped’ with traffic emptying on to Santa Teresa and Monterey Road; trying to seek relief from the gridlock.

Discussion followed regarding the need for regional traffic solutions.

Supervisor Gage commented that one problem appears to be that there are some solutions but ‘not a fix’ for the major problem as there simply is not enough land on which to widen the freeways.

Mr. Waller stated that the EIR is consistent with the South County circulation study.

Council Member Greg Sellers noted that 55% of the trips through Morgan Hill come from outside the area.

Mr. Waller said that this is true, and that the studies agree. Councilmember Sellers reiterated the need for a regional solution; a large solution that must be made clearly known.

Don Dey advised that he was not a CEQA expert, but sees a difficulty with Coyote Valley. He sees San Jose building another Mountain View. He indicated that Coyote Valley would not be completed in 5-years, but in 50 - 60 years. He expressed concern that we are looking at traffic being generated on top of what is now existing, so that the 2020 traffic may require an additional CEQA process. He inquired how the City of San Jose plans to deal with this process, and why are they developing a new city under current conditions?

Mr. Boyd said that basically CEQA requires addressing certain issues. He stated that they did the analysis and treated the project as if it would happen in the near term to provide a summary of effects of the project. He said that there is only so much they can predict, and that maintaining consistency with the South County Circulation Study is the very important basis for predictions.

Supervisor Gage commented that San Jose appears to indeed be building another Mountain View, but that with each individual project, an individual EIR will still be required for plans from Coyote Valley.

Rebecca Van Dahlen inquired whether this takes into account the impact to Hollister and Los Banos residents coming to Coyote Valley to work and shop.

Mr. Waller said that all nine surrounding counties have been looked at, but not in as much detail.

Ms. Van Dahlen asked about costs for repairing roads and upgrades.

Mr. Waller and Mr. Boyd said that ultimately, there needs to be some kind of regional plan to ensure costs are shared across the area.

Council Member Grzan commented that he sensed there were still many issues to be mitigated, and roads would be a top priority. He inquired as to who would be paying for the mitigations. He said that it is being stated that the 'project must pay for mitigations.' He inquired whether the City of San Jose is committed to working with Morgan Hill, Gilroy, and Santa Clara County to work out the mechanics and come up with an appropriate way to finance the mitigations. He said that it could be assumed that the intersections and roads in Morgan Hill will be impacted, and that there would be no question that Morgan Hill will have increased traffic. He inquired as to the types of mitigation measures that can be expected for the installation of new traffic signals.

Mr. Waller responded by speaking on unsignalized intersections; level of service impacts; and the potential need for roads to be widened.

Councilmember Grzan asked who would pay for the project in Morgan Hill? What would happen if the City of Morgan Hill does not want those roads improved?

Mr. Boyd said that the project would 'pay anyway'. He went on to explain the obligations under CEQA and how San Jose would identify ways to mitigate identified impacts.

Councilmember Grzan felt that the City of San Jose was basically ramming the Coyote Valley project down the throats of Morgan Hill.

Mr. Boyd respectfully disagreed, and noted that when mitigations are identified, the project must deal with those mitigations. He said that the City of San Jose is ‘breaking new ground’ and continuing discussions will follow. He indicated that the City of San Jose is committed ‘to doing the right thing.’ Continuing with the presentation, Mr. Boyd pointed out the following concerns/issues:

- air quality
- water (considerable discussion was held regarding the water issues) with the following noted:
 - o newer requirement from the State: water supply analysis; currently there is enough water to meet the demands of the project;
 - o recycled water will assume greater importance
 - o San Jose does not want to import more water from outside the County
 - o need for recharging the aquifer
 - o protection of groundwater quality in the Coyote Valley sub-basin
 - o intent for aggressive effort for recycling water
 - o the Coyote Creek Project in of itself does not propose to import water

Mr. Boyd noted that the next Task Force meeting will be June 18 at San Jose City Hall. He said that he had been working on the project for over 5 years and encouraged Stakeholder members to view the web site ‘where there is much information’.

Mayor Tate said that air quality is a major concern to the residents of Morgan Hill, and that he is concerned about the notation in the EIR of significant and unavoidable impacts. He inquired as to why the dwelling units were not included in the computations for air quality.

Mr. Boyd responded that even if dwellings had been included, there were still significant and unavoidable impacts. There are some things the project is trying to do with internalization. He went on to state that air quality is improving, on a regional basis.

Supervisor Gage asked if there had been changes to the EIR within the last two weeks.

Mr. Boyd assured this had not occurred, and suggested Supervisor Gage may have been thinking that at the last Task Force meeting, possible ways to refine land use had been noticed. He said that at the time, the Coyote Valley Specific Project had looked at an illustrative plan concept.

Supervisor Gage then asked about the Laguna Seca area; specifically, where will the ball fields go.

Mr. Boyd indicated that there has been discussion about the location of the ball fields, but not a change in the EIR; noting that refinements could occur after June 24.

Supervisor Gage said that the Task Force may need more time to study the EIR.

Mr. Boyd agreed to the merit of Supervisor Gage’s comment. He assured the Stakeholders that if any modifications occur, the members will see those changes before adoption. Mr. Boyd said the idea is if there is refinement in some way this EIR will ‘still work’. The City of San Jose understands the risk in taking this approach, but is willing to do so.

Mayor Tate thanked Mr. Boyd and Mr. Waller for their presentation. He invited David Bischoff to present what Morgan Hill staff comments regarding the Draft EIR; noting some questions may be identified during discussion.

Noting that stakeholders concerns were almost identical to those with which San Jose is grappling, Mr. Bischoff said he was prepared to categorize the findings of Morgan Hill staff regarding the EIR:

Intersections will not operate at an acceptable level of service	Who does the work for correction? When will the work be done?
Intersection will need to be signalized	What are the guarantees the project will pay a 'fair share'?
Major sections of Highway 101 will operate at unacceptable levels of service	How can this be mitigated?
San Jose has indicated its intent to explore the possibility of 'regional fee'; however, there is no commitment on the part of San Jose	How will this issue be resolved?
The memo from Fehr and Peers deserves more study	
Schools: financing	Local school leaders are unsatisfied with the financing plans for new/improved facilities
Some issues of existing roads, housing, parks, and air quality were addressed in the EIR, but not all	

Mr. Bischoff said that because of the proximity of Morgan Hill and the nature of the Coyote Valley Specific Plan, phasing will have importance. However, the speakers representing San Jose have not been able to provide answers that Morgan Hill feels it must have. For example, he said that it would be helpful to better understand the impacts and who would pay toward the impacts; when, and how much?

Mayor Tate opened the floor to public comment.

Russ Danielson said that he previously served on the Coyote Valley Task Force; representing the Morgan Hill Unified School District. He said that the School District's 'hot button' still remains. He said that it is not known whether two high schools will be sufficient to serve the area. It was his belief that the student numbers contained in the EIR are very low, and feared that one size will not fit all for the number and sizes of schools. He addressed school overcrowding, and stressed the need to back the Stakeholders.

Supervisor Gage said the schools are doing the right thing by working with San Jose because regardless of what the Task Force does, the City of San Jose will make the final decisions.

Mark Rouser told the Task Force members that he is on the San Martin Advisory Planning Committee, and that he has not had a chance to review the EIR, formally. As a practical matter, it was his belief that it would be better to plan for a bigger project, and to let the market forces control the project rather than to start small and be constrained. He felt that you can down scale, but not scale up," Mr. Rouser addressed traffic, and indicated that he did not understand how the City of San Jose came up with the idea that so much traffic would be going to Coyote Valley from the north rather than the south. It was his belief that southbound traffic will be very heavy.

Terry Williams of the Coyote Housing Group spoke on the work of finding an agreement with the City of San Jose to sponsor a planning process regarding schools. She stressed the need to have a ‘family friendly place with top notch, state of the art schools. She stated that there is a need for expertise and case studies to present what is being done in other places in terms of what worked and what did not work. She stated that additional information is needed, and the School District should be open to ‘something different’. She said that no one wants to give students the short shrift, and felt that San Jose would help with finances.

No further comments were offered.

Mayor Tate asked Stakeholder agencies to express their views regarding the Draft EIR.

Supervisor Gage noted that the Cities of Gilroy and Morgan Hill and Santa Clara County have been conducting their own analysis of the EIR. At some point in time, there is a need to come together on common grounds with regards to the EIR, and not continue on separate paths. He noted that June 29 will end the comment period for the EIR. Therefore, it would be wise for the Cities and Santa Clara County to meet with the individual jurisdictional planners and focus on commonalities.

Mayor Tate suggested the importance of having the Stakeholders come together again in mid-June for further study.

Supervisor Gage said that South County will have more clout together rather than as individual entities.

Mayor Tate agreed, saying that this is why he thought one more joint meeting in mid-June would be beneficial.

Representatives from the City of Gilroy said the planners had almost finished with their comments to the EIR and thought that, collectively, meeting together would be good.

Mr. Dey said he had the same level of concerns as Morgan Hill, but that the basic concerns may not be the same. He said that the shared traffic analysis would be ready by mid June and the City would be ready to comment on it.

Restating the several issues, Mayor Tate said that it is important to keep the following in mind during review and comment:

- quality of life issues
- costs (of everything): how much and when these costs will occur - especially traffic / how to identify costs; importance of having definite commitments from San Jose regarding payments; future costs may be greater and monies must be set aside with *somebody* committed to pay; concern that 40-years from now the County and the Cities will be left holding the bag for payment
- lack of knowledge regarding phasing / need for better EIR based language on phasing

Council Member Grzan expressed the belief that there was a need to have San Jose Council Members at a Stakeholders meeting.

Steve Kinsella, Gavilan College, told the group that the College has gone ahead with purchasing property for a new campus. He understood the comments regarding the schools. As a College, they must comply with all State laws. He stated that he would continue to work with Morgan Hill. He went on to comment on growth and the obligation to provide educational services; noting that Gavilan is proceeding to work with the plan presented while working with the Cities and local School Districts.

Dr. Alan Nishino, Morgan Hill Unified School District Superintendent, spoke on moving to a joint venture with maximum provision for students to move forward from high school to Gavilan College to a university with little effort. He stated that the School District would continue to work and meet with the City (of Morgan Hill) to move forward toward resolution of the school issues. He told of educational development fees which together with student population growth and the fee generation rate, will be included in the Task Force report.

Mayor Tate emphasized the importance of individual jurisdictional responses to the draft EIR; asking City staff to coordinate a mid-June meeting. Mayor Tate asked Mr. Boyd to ensure that the Draft EIR was circulated to all parties.

Mr. Boyd and Mr. Waller graciously thanked the Stakeholders for the opportunity to give the presentation.

ADJOURNMENT

There being no further business, Mayor Tate adjourned the meeting at 7:59 p.m.

MINUTES RECORDED AND PREPARED BY:

JUDI JOHNSON, CONTRACT MINUTES CLERK